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HOUSE BILL 999

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

W. Ken Martinez

AN ACT

RELATING TO PUBLIC SCHOOL FINANCE; REDUCING THE STATE CREDIT OF
LOCAL AND FEDERAL REVENUE FOR PURPOSES OF THE STATE
EQUALIZATION GUARANTEE DISTRIBUTION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 22-8-25 NMSA 1978 (being Laws 1981,
Chapter 176, Section 5, as amended) is amended to read:

"22-8-25. STATE EQUALIZATION GUARANTEE DISTRIBUTION--
DEFINITIONS--DETERMINATION OF AMOUNT.--

A. The state equalization guarantee distribution is
that amount of money distributed to each school district to
ensure that its operating revenue, including its local and
federal revenues as defined in this section, is at least equal
to the school district's program cost. For state-chartered
charter schools, the state equalization guarantee distribution

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1 is the difference between the state-chartered charter school's
2 program cost and the two percent withheld by the department for
3 administrative services.

4 B. "Local revenue", as used in this section, means
5 ~~[seventy-five percent of]~~ receipts to the school district
6 derived from that amount produced by a school district property
7 tax applied at the rate of fifty cents (\$.50) to each one
8 thousand dollars (\$1,000) of net taxable value of property
9 allocated to the school district and to the assessed value of
10 products severed and sold in the school district as determined
11 under the Oil and Gas Ad Valorem Production Tax Act and upon
12 the assessed value of equipment in the school district as
13 determined under the Oil and Gas Production Equipment Ad
14 Valorem Tax Act.

15 C. "Federal revenue", as used in this section,
16 means receipts to the school district ~~[excluding amounts that,~~
17 ~~if taken into account in the computation of the state~~
18 ~~equalization guarantee distribution, result, under federal law~~
19 ~~or regulations, in a reduction in or elimination of federal~~
20 ~~school funding otherwise receivable by the school district]~~
21 derived from the following:

22 (1) ~~[seventy-five percent of]~~ the school
23 district's share of forest reserve funds distributed in
24 accordance with Section 22-8-33 NMSA 1978; and

25 (2) ~~[seventy-five percent of]~~ grants from the

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1 federal government as assistance to those areas affected by
2 federal activity authorized in accordance with Title 20 of the
3 United States Code, commonly known as "PL 874 funds" or "impact
4 aid".

5 D. To determine the amount of the state
6 equalization guarantee distribution, the department shall:

7 (1) calculate the number of program units to
8 which each school district or charter school is entitled using
9 an average of the MEM on the eightieth and one hundred
10 twentieth days of the prior year; or

11 (2) calculate the number of program units to
12 which a school district or charter school operating under an
13 approved year-round school calendar is entitled using an
14 average of the MEM on appropriate dates established by the
15 department; or

16 (3) calculate the number of program units to
17 which a school district or charter school with a MEM of two
18 hundred or less is entitled by using an average of the MEM on
19 the eightieth and one hundred twentieth days of the prior year
20 or the fortieth day of the current year, whichever is greater;
21 and

22 (4) using the results of the calculations in
23 Paragraph (1), (2) or (3) of this subsection and the
24 instructional staff training and experience index from the
25 October report of the prior school year, establish a total

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1 program cost of the school district or charter school;

2 (5) for school districts, calculate the local
3 and federal revenues as ~~[defined in this section]~~ follows:

4 (a) sixty percent in fiscal year 2008;

5 (b) forty-five percent in fiscal year
6 2009;

7 (c) thirty percent in fiscal year 2010;

8 (d) fifteen percent in fiscal year 2011;

9 and

10 (e) zero percent beginning July 1, 2012
11 and subsequent fiscal years;

12 (6) deduct the sum of the calculations made in
13 Paragraph (5) of this subsection from the program cost
14 established in Paragraph (4) of this subsection;

15 (7) deduct the total amount of guaranteed
16 energy savings contract payments that the department determines
17 will be made to the school district from the public school
18 utility conservation fund during the fiscal year for which the
19 state equalization guarantee distribution is being computed;
20 and

21 (8) deduct ninety percent of the amount
22 certified for the school district by the department pursuant to
23 the Energy Efficiency and Renewable Energy Bonding Act.

24 E. Reduction of a school district's state
25 equalization guarantee distribution shall cease when the school

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1 district's cumulative reductions equal its proportional share
2 of the cumulative debt service payments necessary to service
3 the bonds issued pursuant to the Energy Efficiency and
4 Renewable Energy Bonding Act.

5 F. The amount of the state equalization guarantee
6 distribution to which a school district is entitled is the
7 balance remaining after the deductions made in Paragraphs (6)
8 through (8) of Subsection D of this section.

9 G. The state equalization guarantee distribution
10 shall be distributed prior to June 30 of each fiscal year. The
11 calculation shall be based on the local and federal revenues
12 specified in this section received from June 1 of the previous
13 fiscal year through May 31 of the fiscal year for which the
14 state equalization guarantee distribution is being computed.
15 In the event that a school district or charter school has
16 received more state equalization guarantee funds than its
17 entitlement, a refund shall be made by the school district or
18 charter school to the state general fund."

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